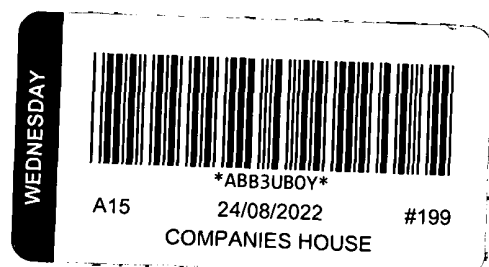


Registered number: 07594072

Global Skyware Limited

Directors' report and financial statements

For the year ended 31 December 2021



Global Skyware Limited

Company Information

Director A. Taylor

Registered number 07594072

Registered office 1st Floor Freeman House
John Roberts Business Park, Pean Hill
Whistable
Kent
CT5 3BJ

Trading Address Affinity House, 1
Station View
Hazel Grove, Stockport
SK7 5ER

Independent auditors Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
2nd Floor
168 Shoreditch High Street
London
E1 6RA

Global Skyware Limited

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Global Skyware Limited

Directors' report For the year ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to \$559,647 (2020 - loss \$986,725).

Directors

The directors who served during the year were:

M. Burrell (resigned 1 July 2021)
A. Taylor

Research and development activities

The Company has a programme of research and development to develop and improve its main product and to develop new products for the future. More information on the research and development accounting policy is given in notes 2.7 and 2.8 to the financial statements.

Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the director's report.

Principal risks and uncertainties

The company's main categories of risk and its management objectives and policies are set out in Note 19.

Global Skyware Limited

Directors' report (continued)
For the year ended 31 December 2021

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A Taylor
Director

Date: 15/08/2022

Global Skyware Limited

Independent auditors' report to the members of Global Skyware Limited

Opinion

We have audited the financial statements of Global Skyware Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Global Skyware Limited

Independent auditors' report to the members of Global Skyware Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Global Skyware Limited

Independent auditors' report to the members of Global Skyware Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of intangible assets and stock provision. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including cash, payroll expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Global Skyware Limited

Independent auditors' report to the members of Global Skyware Limited (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Michael Cook BA (Hons) FCA (Senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 22 August 2022

Global Skyware Limited

**Statement of comprehensive income
For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
Turnover	4	6,639,602	5,989,486
Cost of sales		(4,595,081)	(4,293,102)
Gross profit		2,044,521	1,696,384
Administrative expenses		(2,332,623)	(2,351,854)
Operating loss	5	(288,102)	(655,470)
Interest payable and similar expenses	7	(296,207)	(334,486)
Loss before tax		(584,309)	(989,956)
Tax on loss	8	24,662	3,231
Loss for the financial year		(559,647)	(986,725)

The notes on pages 10 to 23 form part of these financial statements.

Global Skyware Limited
Registered number: 07594072

Statement of financial position
As at 31 December 2021

	Note	2021 \$	2020 \$
Fixed assets			
Intangible assets	9	1,518,750	1,743,750
Tangible assets	10	1,605,173	1,846,766
		<u>3,123,923</u>	<u>3,590,516</u>
Current assets			
Stocks	11	4,117,274	4,459,411
Debtors: amounts falling due within one year	12	1,714,675	738,303
Cash at bank and in hand	13	987,772	132,929
		<u>6,819,721</u>	<u>5,330,643</u>
Creditors: amounts falling due within one year	14	<u>(15,145,600)</u>	<u>(13,519,180)</u>
Net current liabilities		(8,325,879)	(8,188,537)
Total assets less current liabilities		(5,201,956)	(4,598,021)
Creditors: amounts falling due after more than one year	15	(35,913)	(80,201)
Net liabilities		(5,237,869)	(4,678,222)
Capital and reserves			
Called up share capital	16	1,628	1,628
Other reserves	17	336,383	336,383
Profit and loss account	17	(5,575,880)	(5,016,233)
		<u>(5,237,869)</u>	<u>(4,678,222)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A. Taylor
 Director

Date: 15/08/2022

The notes on pages 10 to 23 form part of these financial statements.

Global Skyware Limited

**Statement of changes in equity
For the year ended 31 December 2021**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2021	1,628	336,383	(5,016,233)	(4,678,222)
Comprehensive income for the year				
Loss for the year	-	-	(559,647)	(559,647)
At 31 December 2021	1,628	336,383	(5,575,880)	(5,237,869)

**Statement of changes in equity
For the year ended 31 December 2020**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2020	1,628	336,383	(4,029,508)	(3,691,497)
Comprehensive income for the year				
Loss for the year	-	-	(986,725)	(986,725)
At 31 December 2020	1,628	336,383	(5,016,233)	(4,678,222)

The notes on pages 10 to 23 form part of these financial statements.

Global Skyware Limited

Notes to the financial statements For the year ended 31 December 2021

1. General information

Global Skyware Limited is a private company, limited by shares, incorporated in England and Wales (registration number: 07594072).

These financial statements were prepared in accordance with Financial Reporting Standard 101 - Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards.

The results of the Company are included in the consolidated financial statements of Global Invacom Holding Limited, which are available from Freeman House, John Roberts Business Park, Canterbury, Kent, CT5 3BJ.

The principal activity of the company during the year continued to be that of the sale of products for the reception, transmission and distribution of wireless HD signals.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Global Skyware Limited

Notes to the financial statements For the year ended 31 December 2021

2. Accounting policies (continued)

2.3 Going concern

The company incurred a net loss of \$670,349 for the year ended 31 December 2021 (2020: \$986,725) and, at that date, the company's current liabilities exceeded its current assets by \$8,438,881 (2020: \$8,188,537). These conditions indicate potential uncertainty around the company's ability to continue as a going concern, particularly given the on-going impact of the Covid-19 global pandemic which broke out in early 2020.

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The validity of this assumption depends upon the continuing financial support of the parent company Global Invacom Holdings Limited, provided through loans issued by its subsidiary Global Invacom Limited. Global Invacom Holdings Limited has confirmed that these loans will not be recalled for payment until the financial circumstances of the Company allow.

The directors have assessed the budgets and cash flow forecasts for the company and believe that adequate financial support will be provided by Global Invacom Holdings Limited. As part of this assessment the directors have made enquiries of Global Invacom Holdings Limited and have considered the ability of Global Invacom Holdings Limited being able to provide this support.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe it will not do so. For this reason the directors consider the going concern basis to be appropriate in preparing these financial statements.

The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Global Skyware Limited

**Notes to the financial statements
For the year ended 31 December 2021**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	12.5% straight line
Other fixed assets	-	based on lease period

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Intangible assets

Capitalised development costs

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are capitalised as intangible assets only when the following criteria are met: (i) it is technically feasible to complete the product so that it will be available for use; (ii) the directors intend to complete the product and use it; (iii) there is an ability to use the product; (iv) it can be demonstrated how the product will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and use the product are available; and (vi) the expenditure attributable to the product during its development can be measured reliably.

Directly attributable costs that are capitalised include relevant employee costs. Capitalised development costs are amortised on a straight line basis over a period of five years from the date that the product is brought into first use. The directors consider that five years represents the usual period over which the main benefits of a new product are gained by the Company. The amortisation charge is included in cost of sales.

Intellectual property rights

The intellectual property acquired from the purchase of Skyware Technologies Limited is being amortised on a straight line basis over a ten year period from the date on which the patent is granted. Amortisation is included within 'administrative expenses' in the statement of comprehensive income.

Global Skyware Limited

Notes to the financial statements For the year ended 31 December 2021

2. Accounting policies (continued)

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.12 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition are determined on a first in first out basis and comprise purchase cost, cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.

Global Skyware Limited

Notes to the financial statements For the year ended 31 December 2021

2. Accounting policies (continued)

2.13 Operating leases: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Global Skyware Limited

Notes to the financial statements For the year ended 31 December 2021

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are set out below:

a) Intangible assets

Notes 2.6 and 2.7 describes the Company's accounting policy for the recognition of research and development expenditure. The Company has determined the amounts of development expenditure to be recognised as intangible assets at each reporting date. In making their judgement, the directors have considered the progress of each project and whether there is sufficient certainty that the product under development will be economically viable and that economic benefits will flow to the Company. Otherwise costs incurred are charged as an expense in the statement of comprehensive income.

b) Going concern

The directors have considered the going concern position of the company and made judgements including the viability of the Company's product, expected future cash flows and the availability of support from the parent company. The directors justification for the going concern position is set out in note 2.3.

c) Stock provision

Judgement is required in determining whether there is any provision required against the finished goods.

4. Turnover

During the year ended 31 December 2021 substantially all turnover was attributable to the United Kingdom (2020: 100%). 100% (2020: 100%) of turnover arises from the sales of goods.

Global Skyware Limited

**Notes to the financial statements
For the year ended 31 December 2021**

5. Operating loss

The operating loss is stated after charging:

	2021	2020
	\$	\$
Research & development charged as an expense	316,300	8,456
Depreciation of tangible fixed assets	353,572	337,684
Amortisation of intangible assets, including goodwill	225,000	225,000
Exchange differences	(64,828)	191,695
Auditor's remuneration for audit and non-audit services	19,000	12,000

6. Employees

	2021	2020
	\$	\$
Wages and salaries	952,861	920,322
Social security costs	64,325	54,748
Cost of defined contribution scheme	44,109	28,368
	<u>1,061,295</u>	<u>1,003,438</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021	2020
	No.	No.
Employees	<u>19</u>	<u>20</u>

7. Interest payable and similar expenses

	2021	2020
	\$	\$
Bank interest payable	291,205	327,953
Other loan interest payable	5,002	6,533
	<u>296,207</u>	<u>334,486</u>

Global Skyware Limited

**Notes to the financial statements
For the year ended 31 December 2021**

8. Taxation

	2021 \$	2020 \$
Corporation tax		
Current tax on profits for the year	(20,301)	7,855
Adjustments in respect of previous periods	-	(5,136)
Deferred tax		
Origination and reversal of timing differences	(4,361)	(5,950)
Taxation on loss on ordinary activities	<u>(24,662)</u>	<u>(3,231)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 \$	2020 \$
Loss on ordinary activities before tax	<u>(584,309)</u>	<u>(989,956)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(111,019)	(188,092)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,508	8,388
Capital allowances for year in excess of depreciation	15,307	(3,853)
Adjustments to tax charge in respect of prior periods	-	(5,136)
Origination and reversal of timing differences	(4,361)	(5,950)
Other differences leading to an increase (decrease) in the tax charge	(24,461)	11,714
Group relief	87,364	179,698
Total tax charge for the year	<u>(24,662)</u>	<u>(3,231)</u>

Factors that may affect future tax charges

No liability to UK corporation tax arose on ordinary activities for the year. The Company has trade-related tax losses carried forward of \$1,606,979 (2020: \$1,606,979) for which no deferred tax asset has been recognised due to uncertainty over their recoverability.

Global Skyware Limited

**Notes to the financial statements
For the year ended 31 December 2021**

9. Intangible assets

	Intellectual property \$
Cost	
At 1 January 2021	2,250,000
At 31 December 2021	<u>2,250,000</u>
Amortisation	
At 1 January 2021	506,250
Charge for the year	225,000
At 31 December 2021	<u>731,250</u>
Net book value	
At 31 December 2021	<u>1,518,750</u>
At 31 December 2020	<u>1,743,750</u>

Capitalised costs was in relation to developing the wireless transmission of high defination (HD) TV and the acquisition of intellectual property in Skyware Technologies Limited.

Global Skyware Limited

**Notes to the financial statements
For the year ended 31 December 2021**

10. Tangible fixed assets

	Plant and machinery \$	Other fixed assets \$	Total \$
Cost			
At 1 January 2021	2,405,699	172,108	2,577,807
Additions	112,994	-	112,994
Disposals	(4,200)	-	(4,200)
At 31 December 2021	<u>2,514,493</u>	<u>172,108</u>	<u>2,686,601</u>
Depreciation			
At 1 January 2021	650,245	80,796	731,041
Charge for the year	313,546	40,026	353,572
Disposals	(3,185)	-	(3,185)
At 31 December 2021	<u>960,606</u>	<u>120,822</u>	<u>1,081,428</u>
Net book value			
At 31 December 2021	<u>1,553,887</u>	<u>51,286</u>	<u>1,605,173</u>
At 31 December 2020	<u>1,755,454</u>	<u>91,312</u>	<u>1,846,766</u>

11. Stocks

	2021 \$	2020 \$
Finished goods and goods for resale	<u>4,117,274</u>	<u>4,459,411</u>

Included within finished goods is a stocks provision of \$202,117 (2020: \$247,566). A total of \$Nil (2020: \$Nil) of this provision was utilised in the year. There was a decrease in the provision off \$45,449 (2020: decrease by \$256,567) in the year.

Global Skyware Limited

**Notes to the financial statements
For the year ended 31 December 2021**

12. Debtors

	2021	As Restated 2020
	\$	\$
Trade debtors	957,949	395,171
Amounts owed by group undertakings	179,655	113,855
Other debtors	170,432	102,484
Prepayments and accrued income	394,153	118,938
Deferred taxation	12,486	7,855
	<u>1,714,675</u>	<u>738,303</u>

13. Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	987,772	132,929
Less: bank overdrafts	(109,342)	(2,443,124)
	<u>878,430</u>	<u>(2,310,195)</u>

Global Skyware Limited

**Notes to the financial statements
For the year ended 31 December 2021**

14. Creditors: Amounts falling due within one year

	2021 \$	2020 \$
Bank overdrafts	109,342	2,443,124
Trade creditors	785,174	1,160,416
Amounts owed to group undertakings	13,939,562	9,548,013
Other taxation and social security	40,339	15,404
Other creditors	39,273	32,521
Accruals and deferred income	231,910	319,702
	<u>15,145,600</u>	<u>13,519,180</u>

The following liabilities were secured:

	2021 \$	2020 \$
Bank overdrafts	109,342	2,443,124
	<u>109,342</u>	<u>2,443,124</u>

Details of security provided:

The group's bank overdrafts, including those of the company, were secured in the year via a combination of fixed and floating charges against assets of the company as well as assets of other group undertakings.

15. Creditors: Amounts falling due after more than one year

	2021 \$	2020 \$
Other creditors	35,913	80,201
	<u>35,913</u>	<u>80,201</u>

16. Share capital

	2021 \$	2020 \$
Allotted, called up and fully paid		
100,000 (2020 - 100,000) Ordinary Shares shares of \$0.01 each	1,628	1,628
	<u>1,628</u>	<u>1,628</u>

All issued share capital is classified as equity. All shares rank pari passu in all respects. These have been translated in the accounts to USD at historic cost.

Global Skyware Limited

Notes to the financial statements For the year ended 31 December 2021

17. Reserves

Other reserves

The Company has received interest free loans from related parties to fund the development of a commercial product. A contribution to equity has been recognised in respect of the fair value of interest over the full terms of these loans. The contribution to equity is released directly to retained earnings, corresponding to the interest charge for the period. This has been recognised in other reserves.

Profit and loss account

This reserve comprises all current and prior period retained profits and losses including transfers to and from the equity contribution reserve after deducting any distributions made to the company's shareholders.

18. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounted to \$44,109 (2020: \$28,368). Contributions of \$6,828 were payable to the fund at 31 December 2021 (2020: \$76).

19. Financial risk management objectives and policies

a) Credit risk

All customers who wish to trade on credit are subject to credit verification checks. Customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised. At 31 December 2021, the company has made an allowance for doubtful debts of \$Nil (2020: \$Nil).

b) Liquidity risk

The directors have the responsibility of liquidity risk management. The directors monitor and maintain a level of bank and cash balances deemed adequate to mitigate the effects of fluctuations in cash flows.

The directors monitor rolling forecast of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its banking facilities at all times. Surplus funds held over that required for working capital purposes are placed on short term deposit.

The company's financial liabilities all mature within one year.

c) Market risk

The company's main exposure to risk is through foreign currency exchange rates. The company transacts the majority of its business in US Dollars and non-dollar trade is not significant to the company's risk profile.

d) Interest rate risk

The Group's interest rate exposure is not considered to be material as its overdraft is not subject to interest as part of the GIHL group financing facility with Lloyds Bank, whereby the company's overdraft is offset by positive cash balances held by other members of the group. While there is an element of sensitivity to interest receivable on surplus funds, this is not significant to the company's risk profile.

Global Skyware Limited

Notes to the financial statements For the year ended 31 December 2021

e) Foreign currency risk

The company transacts the majority of its business in US Dollars. Foreign exchange risk arises from the occasional need to purchase Pounds Sterling or Euros to pay certain trade expenses. The amounts concerned are not significant to the company's risk profile, and the company does not hold any significant non-US dollar balances at the year end.

20. Related party transactions

During the year, the company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly-owned subsidiaries.

21. Controlling party

The company is controlled by its sole shareholder, Global Invacom Holdings Limited, incorporated in England and Wales.

The smallest group in which the results of the company are consolidated is Global Invacom Holdings Limited, a company incorporated in England and Wales and group consolidated accounts can be obtained from Freeman House, John Roberts Business Park, Canterbury, CT5 3BJ. The largest group which includes the Company and the ultimate controlling party, is Global Invacom Group Limited, a company incorporated in Singapore. The consolidated accounts are available to the public and may be obtained from 8 Temasek Boulevard, #20-03 Suntec Tower Three, 038988, Singapore.

22. Post balance sheet events

There have been no other significant events impacting the Company since the year end.